NEW YORK HERALD.

JAMES GORDON BENNETT, EDITOR AND PROPRIETOR

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**POLUNTARY CORRESPONDENCE, containing important news, solicited from any owarder of the world: if used, will be Riegally paid for, gg-Our Forking Correspondents are Paintifularly Requirement to Seal all Letters and Pack

AMUSEMENTS THIS EVENING.

ACADEMY OF MUSIC, Irving Place,-Italian Opera

WIBLO'S GARDEN, Broadway,-THE SYREM.

WALLACK'S THEATRE, 844 Broadway.—HANDY ANDT

LAURA KEENE'S THEATRE, Broadway .- FANCHOR WINTER GARDEN, Broadway.-THE WHEARD'S TEN

NEW BOWERY THEATRE, Bowery.—THE WHISTLE

BOWERY THEATRE, BOWERY .- JEW OF NOTRE DAM-

BARNUM'S AMERICAN MUSEUM, Broadway.—Basy Brow—Com. Nutr-Living Whalk, &c., at all hours.— MARRIED RAEK—Your Lirk's in Danger.

SRYANTS' MINSTRELS' Mechanics' Hall, 472 Broad

AMBRICAN MUSIC HALL, No. 444 Broadway.-Song

NEW NATIONAL THEATRE, Caual street.-Song GAIETIES CONCERT HALL, 616 Broadway. - DRAWING

PEOPLE'S MUSIC HALL, 45 Bowery .- Songs, Dances

PARISIAN GABINET OF WONDERS, 563 Broadway.

ATHEN. RUM. Procklyn. -- HOOLEY'S MINSTERLS IN ETHI

New York, Friday, June 13, 1862.

THE SITUATION.

All the reports which reach us from the army front of Richmond state that the success of Gen. McClellan is certain, although the condition of the country in which he has to operate is rendered so miserable by the floods that his movements are essarily delayed. All preparations for carrying on the siege are, however, progressing faworably.

The advance of our army from General Fremont's headqarters to Port Republic, Va., ascerbained the fact that none of the enemy were in the way except the wounded, who lay in every house, since the battle of Cross Keys, as it is now called. which was fought on Sunday. The dead found in the road shows that the rebels lost five hundred in that fight. Ambulances and wagons, arms and ements were strewn along the route. A Mespatch received at the War Department yestermay puts our loss at 125 killed and 500 wounded. Our own loss in officers was severe, as will be seen by General Fremont's official despatch in another

The brilliant action of our fleet in the Missi sippi is testified to by the rebel press. The Vicksburg papers state, for example, that the city of De Boto, Miss., has been destroyed by our fleet, and add that "but three little buildings now mark the spot which once glorified in the title of a city." The same report adds that the federal gunboat shelled the town of Grand Gulf on Monday, and their transports landed a number of troops, who pillaged and sacked the town of everything they could lay their hands on.

While we doubt the story of the pillage and sacking by our troops, we freely accept the anhas fallen into our hands. In fact we now hold the entire valley, and with all the rebel strongholds, from New Orleans to Cairo, in our possession, town or city here and there can make but little

The condition of Memphis at the latest account was most satisfactory. The people generally seem rejoiced to enter once more under the protection of the government. The stores are being opened and many of the merchants are starting for the Northern cities to buy goods in the old fashion and applications to ship 6,000 bales of cotton have already been made to our authorities; while, at the Same time, the robel cavalry, who are scouring the country in the vicinity of Grand Junction, are wan tonly destroying as much of the staple as they can. The people of Memphis treat our soldiers with kindness and cordiality.

Our news from North Carolina will be found very interesting. The battle fought at Tranter's creek was a brilliant and successful one, as will be Been by our correspondent's description. The map which accompanies it illustrates the fight very handsomely.

CONGRESS. In the Senate yesterday, a bill in addition to the act to provide for salvage in cases of capture was reported by the Committee on Commerce. The resolution to admit to the floor of the Senate the Benators elect from Deseret was laid over. Mr. Davis, of Kentucky, offered a resolution that the rebel General Buckner, captured at Fort Donelwon, and now a prisoner at Fort Warren, ought to be transferred to the civil authorities to be tried for treason, whereof he stands indicted, in the Kentucky Bistrict Court. After some discussion furing which Mr. Davis said Buckner ought not to be exchanged, but taken to Kentucky and hanged, the subject was laid aside till to-day. A bill to repeal the act to prevent and punish frauds on the part of officers entrusted with making contracts for the government, was introduced by Mr. Hale. A reution was adopted calling on the Secretary of State to inform the Senate what amount of mo ney has been paid Maine and Massachusetts for yield ing to the Ashburton treaty, and what has been done with the money stipulated to be paid for ger-lain lands taken by Great Britain, and if the same has not been paid, why not. The bill for the relief of General Grant was passed. The Pacific Railroad bill was then taken up and discussed, and, after an executive session, the Senate ad-

In the House of Representatives, the Tax bill was reported back from the Committee on Ways and Means. Mr. Stevens recommended a general non-concurrence in the Senate's three hundred nd fourteen amendments, and a committee of inference on the points in dispute between the two houses. This was agreed to by a vote of eighty against fifty-eight. The report of the Conforence Committee on the amendments to the In-

dian Appropriation bill was accepted. A petition from New York merchants, asking an extension of the time for warehousing goods, was presented and referred. The bill defining the pay and emoluments of certain army officers, conferring citizenship upon all volunteers who serve and are honorably discharged on proving one year's residence, and punishing fraudulent contractors by court martial with fine and imprisonment, and bringing all contractors under the Articles of War was passed. The report of the Conference Comnittee on the bill appropriating five million dollars for bounties for volunteers was accepted. The bill for the erection of a new penitentiary and jail in the District of Columbia was defeated, and the House adjourned.

MISCELLANEOUS NEWS.

We publish some very important news from Mexico this morning, fully confirming previous re ports of the defeat of the French on the 4th and 5th of May last. The battle was a sanguinary one, and the French Zonaves, who must hav fought with great gallantry, suffered severely The French were only 4,000 strong; but the nun bers of the Mexicans are not given, though they may be computed at from fifteen to twenty thou We give an abstract of the official report of the battle, together with other very interesting documents, which will repay careful peru

From South America we have news dated in Buenos Avres on the 14th of April. Citizens of the United States resident there were elated at the reports of the Union war news dated to the 23d of February, which had just been received. The republics were greatly alarmed at the reports of the allied operations against Mexico, fearing that Spain would endeavor to apply the new principle of European invasion to themselves. Uruguay especially felt uneasy concerning the rumor of a talian fleet being despatched to her waters. France was steadily urging her many claims against Buenos Ayres. Mr. Palmer, Minister of the United States in the Argentine Confederation, had left for home, and Mr. Helper, our new Consul had arrived. Manuel Rosas, ex-Dictator of the Confederation, had been condemned to death, after a ten years' trial. His property is declared confis cated; but, as Rosas resides in Southampton, Eng land, the death penalty cannot be enforced, and no person seemed inclined to purchase his estates The produce market of Buenos Ayres was quiet. Foreign lumber went off freely, and flour, on board, was at \$8 a \$9.

Our correspondent in St. Domingo City, writing

on the 17th of May, furnishes a very important let ter with regard to the progress of the island under the new rule of Spain, as well as the position of the great social problem of the continuance of negro slavery or the initiation of the emancipation of the black population in the Spanish West Indies. St. Domingo, he says, has already benefitted vastly in all her material interests under the liberal and enlightened policy" of Queen Isabella Great lines of railroad, calculated to open up the trade of the valley of Yuna, with extensive plans for river navigation, were already decided on, and as Spain invariably pays in hard cash for her public works, it was thought that many Americans would find profitable investments for their capital as well as personal employment. The Spanish official expected large arrivals of negro contrabands and free blacks from North America and the writer asserts that slavery is doomed to soon end in the Spanish colonies. Indeed it is said that the "institution" is now so hampered in its workings that the planters of Cuba and Porto Rico are seriously debating to propose to the government in Madrid a plan of emancipa tion, with compensation. Spain intends. is thought, to build up in the Antilles powerful free black empire, in which the colored man will enjoy fully, as he now does, the same measure of political, military, municipal and re-ligious liberty as the white, even if he is still excluded from the social circle by prejudices of caste Real estate had advanced greatly in value in St. Domingo. Trade was lively in the city. Carpenters, masons and painters commanded good wages. The health of the city was good.

The Hon. Owen Lovejoy, of Illinois, delivered the second of a series of lectures before the Emancipation League at the Cooper Institute last evening. His theme, as may be expected, was the abolition of slavery. He held that the safety and welfare of the republic depend upon the emancipation of the slave, a right to which he It was sheer folly to suppose that we can ever have a lasting peace until we remove the difficulty that disturbs our tranquility. Freedom is the schecinah of the American republic. We may as well expect this rebellion to cure itself as to expect slavery to do so. Rebellion is the whelp of disunion, slavery the old wolf; therefore the old wolf should die. He spoke of the emancipation of the slaves in the District of Columbia as one of the greatest acts this country ever per formed since the Declaration of Independence and he longed for the coming of the day when h shall be called upon to give a vote that shall strik the chain from every limb throughout the land The audience was very moderate, but enthusi astic. Wm. Cullen Bryant presided, and made brief introductory speech.

The Board of Councilmen met last evening, and adopted a preamble and resolution approving of the conservative and patriotic course of Secretary Seward, and placing the Governor's Room at his disposal to receive our citizens during his visit to his native State. The Board concurred with the Aldermen in passing an ordinance appropriating \$500,000 for the relief of the families of New York city volunteers. After the transaction of onsiderable routine business, the Board adjourn-

d till Monday.

The usual weekly statement of the Commis sioners of Public Charities and Correction was presented yesterday, and shows that 2,090 persons were admitted to the different institutions during the week ending on the 7th instant, making a total of 6,821 remaining there on that date-an increase of thirteen on the preceding week.

The Court of General Sessions was obliged to adjourn yesterday without trying any prisoners the counsel in the cases put on the calendar hav ing succeeded in moving them off till next week Thomas Hadden, said to be a notorious character was brought into Court on a bench warrant, h having been indicted for robbing sailors. The Recorder fixed the bail at \$5,000. Hadden has served a term of five years in the State Prison. was subsequently acquitted on a charge of man laughter, and convicted in the Sessions on a sim lar charge to the one for which he is now indicted which conviction was set aside by the Suprem Court on a technical point.

We have been unable to procure from Halifax the Liverpool markets of Saturday, 31st ult., or the price of consols on that day. The closing price of consols on the 30th was 93% a 93%.

The stock market was very buoyant yesterday, and prices advanced from % to 1% per cent all round. The inquiry for dividend paying shares is very active indeed and some shares which pay large dividends, such a Panama, are advancing nearly one per cent a day. Mo-ney was easy at 3 a 3 % per cent on call. Exchange ad aneed to 116 and gold to 105. This, and the advance in stocks, were mainly due to the understanding that the government proposes to issue another \$150,000,000 of legal tender paper.

The cotten market was firm yesterday, while the sales embraced about 1,100 bales, closing on the basis of 31e a 31%c. for midding uplands. Owing to the advance in reights, and to liberal receipts, the flour market was was affected by the same causes, and fell off 24. a 3c. pe bushel. The market at the concession was tolerably active. Corn closed with less buoyancy, while price were without change of moment. Sales of old Western mixed, in store and delivered, were made at 52c. a 53 %c.

Pork was heavy and lower for mess, with sales at \$10 95 a \$11, and of prime at \$9 a \$9 25; some extra heavy mess was reported sold at \$11 25. Sugars were unchanged, Coffee was steady. The cargo of the Onward, comprisin 2,722 bags of Rio, was sold on private terms. Freight were more active, and closed at an advance on previo rates, as will be seen from the report in another column

The Union-The Absurdities of Southern Alienation and an Endless Guerilla

anything to admire, but everything to detest, in the republican institutions of the United States of America. Between the feudal privileges of a ruling class and the American doctrine of popular sovereignty there is "an irrepressible conflict" going on in Europe, which will not end until the barons or the people are finally put down. Hence the strong secession sympathies of England's aristocracy in reference to this rebellion. Hence the zealous, persistent, unscrupulous and shameless efforts of the news paper organs of this feudal English aristocracy to "give aid and comfort" to Jeff. Davis and his hopeless cause.

Taking the London Times as the leading organ of its unprincipled class, mark how like a paid advocate it has stuck to the fortunes of Davis. Thus, our victory at Cape Hatteras amounted to nothing; Port Royal put us in possession of only a few uninhabited and miasmatic sea islands: Roanoke Island only admitted us into a region of impassable swamps; Fort Donelson was a misfortune to the Southern Confederates, but nothing very serious; the loss of Nashville was to be regretted, but Nashville was a place of secondary importance ; the rebel evacuation of Manassas was a masterly military movement; the ironclad ship fight in Hampton Roads showed that the Merrimac was worth a dozen Monitors the repeated escapes of the steamer Nashville and other rebel craft, through our blockading squadrons proved our Southern blockade a mockery and a nuisance; the battle at Pittsburg Landing was a splendid Confederate vic tory, from which it was manifest that the armies of the Southern confederacy could never be conquered; and so on until the news was received in England of our capture of New Orleans and of Norfolk, and of the blowing up of the Merrimac by the rebels to save her from capture.

But what says this aforesaid zealous and inlefatigable British organ of Jeff. Davis to all this? It is forced to the conclusion that the naval establishment of Davis has been destroyed, and that his armies are destined to go to the wall; but then we are told that, as there is not a vestige of Union sentiment in the Souththat as the Southern people, in their implacable and universal hostility, are forever alienated from the Union-the destruction of their regular armies will only be followed by the most formidable guerilla war in the history of mankind-a guerilla war under which, including the burning of Southern cotton, tobacco, corn, rice and sugar, the South will never be subjugated to a recognition of the federal government.

Such are the latest excuses and encouragements which the secession organs of the British aristocracy have to offer in behalf of the sinking cause of this rebellion. They are, however, only the echoes of the most reckless and desperate of the secession journals and fireeaters of our rebellions States. But with regard, first, to a guerilla war. Our latest reports from Western Virginia, from Tennessee, and from some portions of the wild mountain districts of Kentucky, show that the rebel guerillas in those quarters are pretty active, But these are only the bands of marauders which hang upon the flanks of great protecting armies. The army of Beauregard. though driven off from Corinth, demoralized, impoverished and greatly reduced from desertions and detachments captured by the special attention of General Halleck, and hence the appearance of these outside guerilla bands. With the dispersion of Beauregard's army these guerilla supports, will disappear, as they disappeared from the banks of the Potomac with the rebel evacuation of Manassas, and as they disappeared from Missouri with the expulsion of the army of Price.

So, with the capture or dispersion of the rebel army of Richmond, the guerillas who are now operating within supporting distance of it will vanish; for against an overwhelming force in pursuit of them they will have no longer a place of refuge to fall back upon. Better still, the State being irretrievably lost to Jeff. Davis, there will be no longer any object or compensation for a guerilla warfare on the part of the local population and the rebel troops from other States will cease to have any interest in a guerilla war in Virginia with the restoration of the State to the victorious arms of the Union. The war will end there, guerillas and all, with our occupation of Richmond; for the Virginia rebel troops still adhering to the fortunes of Davis. will follow his retreating forces into other States, after the manner of the intractable fighting rebels of Missouri, Kentucky and Tennessee. Thus our Union army will capture or drive before it out of the country all the incurable fighting elements of this rebellion, so that the States in the wake of our advancing troops will be relieved of all those active and turbulent rebel chiefs required for guerilla purposes. They will follow their main army to save themselves, or be reduced to submis sion from sheer necessity or the pressure of public opinion.

Next, with regard to the Union sentiment of the South. It is not extinguished. It still exists, and is waiting its opportunity. This Union sentiment was quite as strong in North Carolina and Virginia down to the outbreak of this rebellion as it was in Missouri. We are quite sure, therefore, that, with Virginia or North Carolina fairly relieved of its menacing rebel army, the same result will follow as in Missouri. And so of all the other Southern States. With the last forlorn hope of Davis cut off in the final rout of his last remaining regular army, they will all drop back again into the Union so submissively that the people immediately concerned will wonder how their restoration was so easily and quietly achieved. The wise, sagacious and eminently patriotic

Union policy of President Lincoln will have paved the way for this consumnation with our occupation of Richmond. Strengthen McClellan so as to give us a crowning victory at Rich mond and, we will be content to trust to the developments of the next three months for the complete fulfilment of our opinions concerning a guerilla war and the Union sentiment of the

OUR NATIONAL FINANCES-THE BEARING OF THE TAX BULL ON THE DIFFERENT SECTIONS OF THE COUNTRY.-With the passage of the Tax bill by the Senate ends, every lingering doubt relative to the success of the financial schemes of the government. The value of its certificate of indebtedness, whether they be Treasury notes, stocks or other securities, is now established on a firm and solid basis. As soon as the bill, which is no in the source for concur-law, an annual income of over \$200,000,000 will be insured, which is sufficient to pay the interest, at the average rate now paid by the government, on a debt of over \$4,000,000,000. Our expenses, however, can in no event ever be such as to increase our debt to this enormous sum. If it reaches the sum of \$1,500,000, 000, we shall be able to pay the interest thereon with \$75,000,000. To this add \$100,000,000 for the current expenses of the government each year, and we have a total of \$175,000,000 to be annually paid, leaving \$25,000,000, if our income be but \$200,000,000, for the yearly contribution to a sinking fund with which to extinguish the debt incurred in the prosecu tion of the war. But after the present year our income will in all probability amount to a larger sum than that above indicated, inasmuch as the customs receipts will increase as the conn try is restored to tranquillity and the demand for foreign goods increases, and as the tax receipts will be augmented after the stock of goods already manufactured and untaxed is

The most reliable estimates regarding the probable receipts under the Tax bill, as it now stands, fix the sum at about \$110,000,000. The following statement of the sum which could probably he realized, had his substitute been dopted, was made in the Senate by Mr. Simnons, of Rhode Island. From the figures given an opinion may be formed respecting the amounts which will be derived from the various sources of revenue:-

Total.....\$155,000,000 The above must be modified, as spirits are axed but twenty instead of thirty-five cents per gallon, and beer one dollar instead of two dolans per barrel. These changes would make a difference of \$23,800,000, leaving the possible mount to be actually received \$131,200,000.

The receipts of the New York Custom House since the beginning of the present year have been such as to justify the belief that, even in the present state of trade, the revenue from duties on imported goods, with an additional duty levied on a few articles, will reach \$100,000,000. The opportunity afforded brewers and distillers to manufacture their liquors until the 1st of July without rendering them subject to taxation will deprive the government of a considerable sum which should have een realized.

From the very nature of the foreign trade nd internal commerce of the country, the receipts of the government will increase as the prosperity of the country returns; for the importation of foreign products and manufactures will be stimulated, and the manufactures of the United States, on which the chief portion of the tax is faid, will be encouraged at the end of the war by the increased demand and the protection afforded by a high tariff.

The taxes to be imposed, being on such ar ticles as all are compelled to use in their daily pursuits, and in the support of life, will fall on each and every person in the land, affording each an opportunity to contribute his mite towards the support of the government-The taxes will be burdensome on very few, as those who are required to pay them back-payment of the taxes not being required till the goods are sold. Thus the Eastern States, where most of the factories are located, will immediately draw back the noney which they pay, from the consumer in the Middle, Western and Southern States. We shall also be enabled to derive several millions of dollars from England and France, which nations have acted in a hostile spirit towards us during the war, in the increased price which they will be compelled to pay for the cotton which they must receive from us.

THE BELLIGERENT RESOLVES OF THE SOUTHER CITIES .- One of the remarkable features of the war has been the passage of fighting resolutions by the authorities and people of the Southern cities. At New Orleans they resolved never to surrender, and to defend it to the last. It was surrandered the moment that our gunboats and the flotilla of Farragut arrived there. At Nashville the citizens and authorities went through with the same wordy declaration of making Nashville the last ditch. No sooner had the advance column of General Buell's army arrived in sight of the city than the Governor and other State officials took to their heels and "skedaddled," leaving the city in possession of the Union army And immediately the intelligence came over the wires that all was quiet at Nash ville. The same form was gone through with at Norfolk; but there the Mayor and Common Council were so anxious to do the very reverse from their resolve that they could not wait for the arrival of General Wool's force, but met him half way and surrendered, the military and naval forces in the meantime scattering i every direction, and destroying what they could ot carry with them. The next thing that was leard from that quarter was, "All is quiet at Norfolk." This has been so often resorted to that the public have at length begun to look upon the adoption of resolutions of that kind as neaning that they will surrender at the first opportunity. Resolutions of the same pature have already been passed in Mobile, Savannah, Charleston and Richmond, which, according to precedents means that those cities will each, in their regular turn, surrender, and come into the possession of the Union army, and the very persons who promulgated the fighting resolutions be the first to yield. The next morning our correspondents from those cities will in form us that the city is as quiet as New York; and here we are as peaceable as lambs.

ALL QUIET AT MEMPHIS .- A few days since the Common Council at Memphis met and resolved that they would defend the city to the last. Their belligerent resolves and flourish of words gave the public the impression that Memphis was the last ditch. Our rams went down the river, met and demolished the rebel rams, the city quietly surrendered, and the

next we hear is that "All is quiet at Memphis," and that the merchants intend starting imme

diatelp for the North to purchase goods. NEW ISSUE OF DEMAND NOTES .- The government is about to make a new issue of demand notes of small denominations, amounting in the aggregate to one hundred and fifty millions of dollars. Some objection has been made to this currency; but experience has proved that t is the best and the safest for the community. Heretofore brokers made fortunes by the de preciation of the small notes of the different States. So great was the discount that some wildcat currency was depreciated even ten per cent. The discount came, of course, out of the pockets of the people, and the money dealers were made rich at their expense. Sometimes the banks issuing bills were broken, and the notes became worthless. In this way the losses of the people were considerable.

The new currency of the general govern ment remedies all these evils. It is safe and sound. It is as good as gold everywhere. Such is the appreciation in which it is held at the South that as soon as our armies take possession of a rebel city there is great anxiety to invest in these demand notes, and to get rid of the Confederate shinplasters as soon as possible. Why is it that federal paper holds so high a rank? It is because of the basis on which it rests, the strength and stability of the govern ment, its good faith to the creditor, and its ability to pay. The value of the demand notes is further enhanced by the patriotism of the people, who, under no circumstances, will depreciate them; for that would be only destroying their own public credit, and the loss would have to fall ultimately upon themselves.

All that is needed to perfect the security of hese notes, and to make assurance doubly sure. is to pass the Tax bill, and that is now at such a stage that a few days will suffice for its final passage, by the agreement of the Senate and House of Representatives on the points on which they differ. It will be immediately signed by the President, as a matter of course By this bill and the tariff an income will be secured of over two hundred millions per annum. According to the calculations of Mr. Chase, the average of the interest paid on the government bonds is four and three-quarters per cent: but let us put it at five per cent, and we would thus have, by the results of the Tax bill and the tariff, the ways and means of not only paying the interest on the war debt. but of creating a sinking fund to pay the prin. cipal-a payment which will be so rarely demanded that it is merely nominal. Even should the expenditures finally foot up four thousand millions, which is a far higher figure than they can ever reach, the estimated products of the Tax bill and the tariff would be ample for the payment of the interest. Thus from the vast resources of the country, from the diffusion of wealth and the patriotism of the people, a tremendous war can be carried on without material injury to the finances of the country, which would render bankrupt in one year the greatest Power of Europe. This is the secret of the safety and security of the demand notes of the govern ment of the United States-a mystery which astonishes and confounds the calculations of all the great financiers of England and France.

THE NEWS FROM MEXICO-THE DEFEAT OF THE FRENCH.-The news from Mexico which we publish this morning is of the highest importance. It more fully confirms the intelligence we have previously received of the defeat of the French army at the gates of Puebla. This reverse to the French arms is but a natural consequence of an invasion which the better judgment of the Emperor Napoleon should have prevented him from undertaking. This first sanguinary encounter is only a foretaste of other conflicts more severe and terrible which must hereafter occur in that unfortunate country, unless the decide to recall his shattered army and abandon the Mexicans to themselves. If he consult the interest of France and the welfare of his own dynasty, he will not seek to prolong a bloody war, at a long distance from his empire, at enormous expense, and for no useful or progressive purpose whatever. Surely the unjust claims of Jecker & Co., and the welfare of a dilapidated branch of the house of Hapsburg, are not considerations of sufficient weight to cause the useless sacrifice of thousands of valuable lives. But this will be the result if the Em peror, instead of recalling the present troops, should decide to send new levies into Mexico to sustain the French troops already in the country. The repulse of the hitherto unconquerable

soldiers of France, the heroes of Africa and of Italy, cannot be expected to please the Emperor very much. But whether he will send a large army to Mexico or not remains to be seen. The injured pride of the nation may prompt him to attempt to overrun the Mexicans; but his calm, sober second thought will cause him to beware. He cannot forget that there are six millions of Mexicans, divided in politics, but united like one man for the repulse of their invaders. However large an army the French may be able to send in ships across the ocean, the Mexicans on the spot will overwhelm them; and after a desperate struggle of months, if not years, the invading army will have to retire greatly the losers. Besides, the American rebellion is drawing rapidly to a close, and the great army of this republic may find some work in Mexico, if the existence of that republic be endangered by European invaders. The Emperor of the French had therefore better accept his defeat by the Mexicans, draw off his army from this continent, and leave the Mexicans to reorganize their government and pay their debts in the best way they can.

NEW YORK POST OFFICE .- We understand that the removals of employes in the New York Post Office by Postmaster Wakeman are not made solely upon political considerations, but that his action in this matter is influenced by the qualifications of the individual employes and their attention to their duties. It is also stated that all the old hands remain there, and that none will be removed who faithfully attend to their duties. If this is the true state of the affair we hope that Postmaster Wakeman's course will be the guide of other government officials, and that hereafter the appointments will be made upon the personal qualifications of the applicants, and not solely on political considerations. The war has wiped out of existence all the old political parties, and this is the appropriate time to inaugurate a reform in our publie offices, and, by adhering to it, public officials will better serve the interest of the public, and hear less complaints, than under the long exist-ing system of political favoritism.

NEWS FROM WASHINGTON.

THE NEW DEMAND TREASURY NOTE BILL. thorization of an additional \$150,000,000 of United States notes, is regarded here as unwarranted by the facts of the case. The whole nominal circulation of the United States notes at this time is only \$117,500,000. There are in the Treasury to the credit of disbursing officers about \$32,000,000, leaving about half a million with which to most drafts from the department. Of the \$117,000,000, about \$7,000,000 (being the amount of the demand notes) are practically withdrawn from circulation and hourded for payment of customs. Of the pro-posed new issue, therefore, \$57,000,000 may replace amount thus hoarded, and about \$46. will be withheld from issue to meet possible demands for temporary deposits beyond the immediate means. Thus \$17,000,000 will make no practical ad dition to the circulation.

It is well understood, also, that the Secretary will in

no event issue any part of the new notes, if authorized, excepting small notes to take the place of large in pay them, so long as the duties on imports, the in crease of the temporary lean and the conversion of the United States notes already is sued into five-twenty par bonds yield revenue enough to meet the daily expenditures. During the prescut week, thus far, the income from these sources has more than met current expenses. The conversions alone have supplied more than half a million of dollars a day, and will probably increase under the circumstances. little use will be made of the additional authority proposed to be given to the Secretary, though it is thought prudent to guard against possible exigencies by giving t an expansion of the currency, which may take place and therefore will not be attributable to the Treasury Department, to whatever else it may be ascribed.

The new demand Treasury note bill, authorizing the issue of an additional one hundred and fifty millions of demand notes, will take precedence of all other business n Congress. A disposition is manifested to pass it

without delay.

The admirable management of our financial affairs by the Secretary of the Treasury, and the unexpected and unexampled success of all his recommendations in conection with the public finances, have inspired universa confidence in his ability, and induced a willingness to omply with his every request in connection with the Treasury department, in which he has aiready wrought so many reforms, at first startling from their novelty, but so mooth working, as soon as they are put in operation that all wonder at their simplicity and excellence.

The proposition that the engraving, printing and execu tion of these notes shall be done at the Treasury Department, with machinery and materials belonging excluexecution of the notes of the Bank of England, is regarded as a wise provision, although it is much mode of doing such things by contract. There are

other reasons, however, which recommend this measure Step by step Mr. Chase is developing the grandest sys em of national finance over conceived, and which will not only immortalize his name, but, when fully carried out, will give to this country a stability of credit and financial prosperity unequalled by any government in the world. The national banking project, the capatons of the whole system, alone remains to make it a harmo nious, simple and self-sustaining whole, as enduring as the government itself, and a source of continuing case and prosperity in the monetary affairs of the nation

THE TAX BILL IN THE HOUSE.

The Tax bill is speeding on the way to its final passage. Its immediate reference to-day to a committee of conference expedites its progress to become a law during next week. There are over three hundred Senate amendments to be considered. Most of them are unimportant. There is quite an array of agents and representatives of various interests in attendance, hoping to have one more chance, before the Committee of rence, to make their points; but it is understood that the committee will hear no arguments, but decide all questions upon the information already adduced

IMPORTANT LETTER FROM THE SECRETARY OF THE NAVY—IRON-PLATED SHIPS OF WAR—NECESSITY OF PREPARATION FOR THRIR CONSTRUCTION, ETC. The following letter has been addressed by the Secreary of the Navy to the Naval Com

NAVY DEPARTMENT, June 9, 1862. SIR-I had the ho in—I had the honor to address the Naval Commissee, fer date of the 25th of March last, on the subject of nored ships, and the necessity of preliminary measures the future construction of vessels for the naval serrice. The fact that a radical change has co vice. The lact that a radical enange has commenced as the construction and armament of ships—which change in effect dispenses with the navies that have hitherto estated—is obvious, and it is a question for Congress to decide whether the government will promptly take the initiatory stops to place our country in the front rank of marritime. Decrease:

maritime Powers.

It is unoceasary that I should recapitulate the suggestions contained in my letter of the 25th of Marchibut I would again call your attention to them, and state my carnest desire that Congress should take action before its adjournment on the subject not only of supplying itself with the armature and heavy ordnance for ing itself with the armature and heavy ordnance for ships, but of the substitution by the government of from for wood, in whole or in part, in the construction of navai vessels. It has hitherto been supposed to be the true interest of the government to build its own ships of-war, and to manufacture the arms and most of the articles which are requisite for the naval service. This necessity has arisen chiefly from the fact that naval vessels and naval purposes and objects are in many respects so essentially different from those of the mercantile marine as to place them out of the usual line of private enterprise. The government has consequently to pay an extra cost for extra and better work. In naval and military matters it is indispensable that vessels, guns, machinery, and everything pertaining to them, should be of the best quality, reliable and always ready at any memons to meet the public necessities.

The government has several large Navy Yards for building ships; and the introduction of steam, which is necessary for, and made applicable to, all naval vessels now constructed has compelled it to erect extensive shops for making steam machinery. But these shops are inadequate to the wants of the navy, and for some years it will be necessary under any circumstances to e antract for much the largor portion of the work that will be required.

It is now generally concade that vessels for fighting purposes, must be heavily plated with iron, if they are

necessary under any circumstances to canract for much the largor portion of the work that will be required. It is now generally concoded that vossels for fighting purposes, must be heavily plated with iron, if they are not built entirely of that material. In this, as in most costly fabrics, economy is reached through durability. Iron ship building is new in this country, but few persons are engaged in it, and it is a novesty in our navy yards. Heavy iron beams, sharting, and thick iron plates can be procured from only two or three parties, and then in limited quantities, and subject to great dolay. Individuals have little use for iron of such magnitude as the navy must have, and there must unavoidably be great outlay to prepare for the execution of such work. With only the navy for a purchaser, there can be no competition, and the government will be compiled, under such direcumstances, to pay almost any price the mills and forges may demand. No inconsiderable portion of an iron ship can be made and procured at the ordinary mills, and, so far as it can be done, it may be the best policy to be so supplied; but the heavy and expensive portious cannot be so procured, and unless the government is prepared to execute the work, it will be subject to imposition, and its vessels to marked inferiority.

Other nations, whose wooden ships-of-war far exceed

subject to imposition, and its vessels to marked inferiority.

Other nations, whose wooden ships-of-war far exceed our own in number, cannot afford te say them aside, but are compelled to plate them with from at a very great cost. They are not unaware of the disadvantage of this proceeding, but it is a present necessity. It must be borne in mind, however, that those governments which are striving for naval supremacy are sparing no expense to strengthen themselves by building iron vessels; and airoady their dockyards are undergoing the necessary preparation for this change in naval architecture, not withstanding those governments have at their sommand the greatest exporience and the most extensive and complete iron and machine factories that private enterprise can produce. These facts are suggestive to our government, and I desire to call your attention to the necessity of making the necessary provision for our selves by providing the means and conveniences for building and repairing a may such as the strength and character of our government and country require, in order to maintain its true position among maritime Powers.

Powers.
We have been engaged for years, and have spent mil-lions in our navy yards and on our atom machine shops for shipbuilding purposes, and yet have not been able to keep up with the wants of the navy and the exigencies of the service. (the service. It is not the part of wisdom to close our eyes to the

of the service.

It is not the part of wisdom to close our eyes to the progress of events nor to evade the responsibilities that properly belong to us. The creation of a new and different navy, such as the development of science and art already demonstrate as a necessity, calls for vigorous measures, and prompt and energetic action. The government should not, in justice to itself, be dependent on private establishments for its most important and expenditures cannot be most important and expenditures cannot basten them. Congress has been liberal in its appropriations for building vessels, but these appropriations cannot be made available in obtaining the proper locations, milis, forges, furnaces and shops, all of which are requisite, and which, to be secured properly, nead time and excell consideration.

If the money for these purposes be now appropriated, we shall commence, under as favorable circumstances as any nation, the ceasurouten of a navy adapted to the wants of our country and the times. No nation can have an advantage over us if we areal ourselves of our means and opportunities, and it is no longer doubtful that our future satety and welfare are dependent on our naval strength and officiency. It is a only a well as a necessity that we make these United States a great naval Power. We over its ourselves to commence at open they not, and the present congress should, in my opinion, take the proliminary steps at the present assume for laying the foundation for the Construction of a navy commence at the present congress should, in my opinion, take the proliminary steps at the present assume for laying the foundation for the Construction of a navy commence at open they not, and